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648 175 Moscow (May 23–26, 1946) was due to the necessity for a fresh exchange of views on the international situation, on the strengthening of the Polish Army to protect the rear of the Soviet occupation forces in Germany, and on the conclusion of economic agreements. Arrangements were in fact reached. They stipulated the cancelling of the financial engagements contracted during the war for equipping the Polish Army; the supply of Russian arms and munitions; the opening of a credit and the furnishing of food supplies.[17] On August 16 the U.S.S.R. and Poland signed a frontier treaty, ceding to the Poles the region situated east of the Curzon line, between the Western Boug and the River Solokia, to the south of the town of Krilow, to a maximum depth of nineteen miles, together with a part of the Forest of Bjalowiez, likewise to the east of the Curzon line, to a maximum depth of eleven miles.

A fresh interview between Stalin and MM. Bierut and Osubka-Morawski took place in Minsk on the following August 29. It dealt principally with the Anglo-American notes relating to the elections, and with the relations, on the eve of the poll, between the Socialist Party and the Labour Party. It was a fortnight later that, replying to Mr. Byrnes's Stuttgart speech, M. Molotov reaffirmed the Soviet point of view, according to which the western frontier of Poland was sacrosanct.

On February 24, 1947, M. Cyrankiewicz arrived in Moscow to confer with Stalin on the prospects opened up for Poland by the Peace Conference for Germany, convened in the Soviet capital for March 10.

648 175 457 Connected with the question of 'free elections', still further incidents arose between Poland and the Anglo-American democracies. On April 25, 1946, the Warsaw Government had obtained a loan of fifty million dollars under the following double arrangement: Forty million dollars would be supplied by the Export-Import Bank for the payment of purchases effected in the United States; surplus army material, stocked in Europe, would be supplied to the Government on credit, up to a limit of fifty million dollars. America had stipulated, as conditions of her financial aid, that the Polish Government should organise free elections, should inform the people of the terms of

[17] It was only on November 21 that the Polish Minister of Foreign Trade disclosed the tenor of his agreements with Russia.

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the agreement, and should furnish the United States with full details of treaties concluded with other Powers.

Since these conditions had not been fulfilled, America announced, in the month of May, that she was reconsidering the matter. Warsaw then communicated the text of the commercial treaties concluded with the neighbouring countries. The fact that, after this, the United States restored the credit of ninety million dollars shows that they did not consider these treaties as incompatible with their collaboration in Polish economic recovery. In January, 1947, Polish assets in America —including gold—were 'de-blocked', in consideration of an agreement fixing the indemnification of American nationals who owned nationalised Polish concerns.

But the question of the elections remained as a background to the feeling of strain which hung over the relations between Washington and Warsaw. In March, 1947, it came to the fore again, when the United States ambassador, Mr. Arthur Bliss Lane, resigned as an expression of the disapproval he had never ceased to exhibit towards a régime resulting from an electoral consultation which he had designated 'a farce'. Far from disowning him, Mr. Truman, in accepting his resignation, declared his regret that 'his skilful representation of the American Government's views had not attained its object'.

The financial negotiations with England experienced similar vicissitudes. The agreement of June 24, 1946, for the grant of a loan, subject to the repayment of the debts of the former London Government, was at first postponed; official Polish circles accused Great Britain of retaining the greater part of their compatriots' assets as security for her claims, and especially the 4,800,000,000 francs (gold) belonging to the Bank of Poland. On December 19, the English Embassy in Warsaw was obliged to protest against the manner in which these questions were presented by the Polish press, who took pleasure in contrasting the British claims with Russia's gesture in wiping out Poland's war debts.

We have recalled that one of the sore points in Slav solidarity was the question of the allocation of the Teschen Basin, occupied by the Poles since October 2, 1938. The question had already, between the two wars, caused a lot of ink to flow. It had grafted itself on to attacks made by the Polish press against

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doubt that, although their departure corresponded to a legitimate policy of internal peace and security, yet it created in Czech economic life a void that was difficult to fill.

The Americans' remarks on the subject of the deportations were not the only cause (and, in any case, they were passing ones) of the frigid relations between themselves and the Prague Government. The latter had negotiated and obtained a loan of fifty million dollars from the Export-Import Bank—a loan which was to help to finance the 'two-year plan' for Czechoslovakia's economic reconstruction. On October 16 the State Department notified that they had blocked this credit for an indefinite period, because the borrowing country had not provided any compensation for American nationals dispossessed by nationalisation. Another argument advanced was the cutting and, at the very least, injudicious tone adopted by certain Czech newspapers which, at the very moment when their Government was seeking financial aid, accused the United States of using credits as an instrument of economic imperialism. The Ministry of Foreign Affairs blamed the Russians for the latter accusation and expressed regret at Washington's decision.

On the other hand, in November, 1946, England granted a loan of two and a half million sterling, spread over four years, to enable Czechoslovakia to buy surplus British materials. So that Prague's fears of a synchronised Anglo-American policy in the matter of loans were allayed.

[186] Like those of Poland, Czechoslovakia's aims in the discussion on the German treaty were chiefly directed towards disarmament and denazification of the Reich. For the Czechs, the problem of their security was partly settled by the presence of Soviet Russia in the Danube Basin. The dream of one of their thinkers had come true: 'The lime, our Slavonic emblem,[25] is supported by the powerful Russian oak'. And, celebrating the anniversary of the pact of December 12, 1943, between Stalin and Benes, the *Nurodni Ozvobozeni* declared: 'Treaties are usually entered into for a fixed period. Afterwards, they are extended, or they lapse. This one must stand for eternity'.

[25] The lime was the emblem of the Slavs. At the time of the riots which took place in Ljubljana at the beginning of this century between German and Slovene students, the former sported a cornflower and the latter a lime-leaf.

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tions due for the exactions made by Bulgarian troops who occupied Serbian Macedonia during the war.

Yugoslavia's relations with the other Slav States followed the same lines as her relations with the Soviet Union. In June, 1949, negotiations in view of commercial exchanges with Czechoslovakia came to a standstill. In July, the two Governments exchanged subacid notes: Belgrade accused the Czechs of inspiring a campaign of press hostility towards Tito; Prague replied that any criticism tending to unmask Titoist treachery was 'a mark of appreciation and friendship towards the Yugoslav people'. Such arguments prepared the way for the formal denunciation of the pact of friendship and assistance. The Czechs, like the Poles, accused the Yugoslav diplomats of carrying on subversive activities: there were numerous recalls of diplomatic or consular agents, on the now customary charge of espionage on behalf of the 'capitalist powers'.

On the other hand, Yugoslavia endeavoured to renew commercial ties with the West. Her negotiations with Washington resulted in the agreement of July 19, 1947, liberating 47,000,000 gold-dollars and 220,000 dollars accruing from other Yugoslav credits in America, subject to the settlement of various arrears and repayments under Lend-Lease. The United States granted Yugoslavia the necessary licences for the delivery of materials destined for the equipment of a steel-plate factory; on November 3 they removed the prohibition on the supply of military equipment to that country.

And, on December 22, 1949, President Truman, confirming an assurance given by George Allen, his ambassador in Belgrade, declared: 'An act of aggression against Marshal Tito and Yugoslavia would be regarded by the Government of the United States as being just as serious as any act of aggression elsewhere'.

This change of attitude shows the road travelled in Washington since the declarations made, on November 1, 1945, by Secretary of State James Byrne, recognising 'the special security interests' of Russia in Eastern Europe, and affirming that the United States 'would never associate themselves with an intrigue directed against the Soviet Union . . .'.

Indeed, the United States and Great Britain decided to grant economic aid to Communist countries which were 'really independent', and resolved to fight the Kominform. In London,

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in August, 1947, a Yugoslav delegation opened negotiations for a commercial agreement. These negotiations were prolonged, but in September, 1949, the British Cabinet decided to open a credit of £9,000,000 for Yugoslavia.[2]

A parallel change of attitude was shown in the relations between Belgrade and Rome: after rather lively incidents in Julian Venetia, the two Governments drafted, in December, 1948, a reconciliation, which was to be recognised by the commercial agreement of August 4, 1949, in which press commentators saw a political significance. The question of Trieste, which had been settled by the agreement of April 27, 1947, between France, Great Britain, the United States and the Soviet Union, henceforth became of secondary importance, although Yugoslav claims to the Trieste zone (as to Slovene Carpathia) were never formally renounced.

On October 20, 1949, Yugoslavia was admitted to the Security Council by thirty-nine votes (out of fifty-eight voters) to nineteen for Czechoslovakia.

To sum up: Yugoslavia is seeking to reconcile her fidelity to Marxism with economic collaboration, on a footing of equality, with the Western States. Her attitude is defined in these two declarations made by Tito: 'While remaining solidly in the Socialist camp, Yugoslavia will regard as her enemy any one who interferes with her Socialist construction'. 'With the East we maintain economic relations, without any political set-off. When we sell copper to buy machinery, it is the copper we sell, not our conscience'.

* * *

As for Bulgaria, she has maintained with the Soviet Union ties which the Soviet-Yugoslav crisis only served to strengthen. The Government dealt the opposition a mortal blow by condemning to death the Agrarian leader, Nicolas Petkov, who was executed on September 23, 1947. This execution called forth a declaration of disapproval from the American State Department; on September 29 a speaker on behalf of the Foreign Office

[2] On July 2, 1949, General Ivan Gochniak, Vice-Minister for Defence, affirmed that, in 1944, Great Britain and the Soviet Union had agreed upon their respective spheres of influence in the Balkans: the Russians were to have a 75 per cent predominance in Hungary, Bulgaria, and Rumania; in Yugoslavia they were to be on an equal footing with the English, in whose sphere of influence Greece was left.